

STATE OF SOUTH CAROLINA
RICHLAND COUNTY

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT

Leslie M. Jones, as Chief Actuary of the
South Carolina Department of Insurance,

Petitioner,

vs.

Commercial Truckers Risk Retention Group
Captive Insurance Company,

Respondent.

Civil Action Number 01-CP-40-3146

**ORDER OF LIQUIDATION,
DECLARATION OF INSOLVENCY,
INJUNCTION,
AND AUTOMATIC STAY**

01 SEP 21 AM 9:36
BARBARA J. HARRIS
C.C.C. & S.

This matter comes before me pursuant to the South Carolina Insurer's Supervision, Rehabilitation, and Liquidation Act. S.C. Code Ann. §§ 38-27-10, et seq. (1989 and Supp. 2000).

The Petitioner seeks an Order appointing her Ancillary Receiver of Commercial Truckers Risk Retention Group Captive Insurance Company, the Respondent, and authorizing her to commence formal liquidation proceedings. The Respondent has been served with a copy of the aforementioned Petition pursuant to Section 38-27-60 of the South Carolina Code.

The Petitioner alleges the Respondent is insolvent and in such condition as to be hazardous, financially or otherwise, to its policyholders, creditors, and the public. The Petitioner therefore asks that the Respondent be declared insolvent, that she be appointed Liquidator for the Respondent, and that the Respondent's corporate existence be dissolved. In its Answer, the Respondent does not deny the allegations of the Verified Petition or that an Order of Liquidation is necessary. In fact, the Respondent specifically did not contest the proceedings and waived its right to a hearing.

Based upon the arguments of counsel and the pleadings before me, I find the Court has jurisdiction over this matter and the parties. I further find the Respondent is insolvent and in such condition as to be hazardous, financially or otherwise, to its policyholders, its creditors, and the

public. In light of these findings, I also determine the immediate appointment of a liquidator is necessary to protect the Respondent's creditors, claimants, and policyholders and it is in their best interest and in the best interest of the public that an Order of Liquidation appointing the Petitioner as Liquidator of the Respondent and dissolving the Respondent's corporate existence.

IT IS THEREFORE ORDERED that pursuant to S.C. Code Ann. § 38-27-360 and 38-27-370 (Supp. 2000), the Petitioner and her successors in office be appointed Liquidator of the Respondent.

IT IS FURTHER ORDERED that the Liquidator take immediate possession and control of the assets, estate, and all other property of the Respondent of every kind whatsoever and wherever situate and administer them under the general supervision of the Court. The Liquidator is directed to exercise any and all rights of the Respondent in connection with any collateral or other assets being held for the benefit of the Respondent by any person or entity. The Liquidator is hereby vested with title to all of the property, contracts, and rights of action and all of the books and records of the Respondent, wherever located, as of the entry of this Order of Liquidation.

IT IS FURTHER ORDERED that the Liquidator liquidate the Respondent's assets, including, but not limited to funds held by the Respondent's agents, subagents, producing agents, brokers, solicitors, service representatives, or others under agency contracts or otherwise which are due and unpaid to the Respondent, including funds remitted by members, unearned commissions, agent balances, agent reserve funds, and subrogation recoveries.

IT IS FURTHER ORDERED that the Petitioner shall make an accounting to the court within six months after the date of this order and at least annually thereafter. Such reports shall include at a minimum the Respondent's assets and liabilities and all funds the Liquidator has

received or disbursed during the current period, and shall be submitted to the Court for approval without necessity of a hearing.

IT IS FURTHER ORDERED that the rights and liabilities of the Respondent and its creditors, policyholders, stockholders, members, and all other persons interested in the estate of the Respondent shall be fixed as of the date of entry of this Order of Liquidation except as provided by §38-27-560 of the South Carolina Code.

IT IS FURTHER ORDERED that all claims of any nature whatsoever against the assets of the Respondent held by the Liquidator must be filed upon such forms and accompanied by such proof as shall be required by the Liquidator not later than three months subsequent to the date of this order.

IT IS FURTHER ORDERED under § 38-27-430 of the South Carolina Code that no action at law or equity shall be brought against the Respondent or the Liquidator in this State or elsewhere, nor shall any such existing actions be maintained or further presented after issuance of this Order of Liquidation.

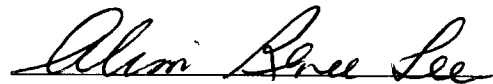
IT IS FURTHER ORDERED that the Liquidator shall have full power to take all actions reasonably necessary and proper for the discharge of her responsibilities including, without limitation, those powers enumerated in S.C. Code Ann. §§ 38-27-400 (Supp. 2000). Specifically, it is ordered that the Liquidator shall employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants, and such assistants as she deems necessary, purchase or lease personal or real property as she deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the Respondent's assets in the possession of the Liquidator or coming into her possession.

IT IS FURTHER ORDERED, under S.C. Code Ann. § 38-27-80 (Supp. 2000), that all present or former officers, managers, directors, trustees, owners, employees, and agents and brokers of the Respondent, and any other persons with authority over or in charge of any segment of the Respondent's affairs, including attorneys-at-law now or previously retained to represent the Respondent, shall cooperate with the Liquidator in the discharge of her responsibilities, and shall, in addition to all other demands for cooperation, reply promptly in writing to any inquiry from the Petitioner requesting such a reply and make available to the Liquidator any books, accounts, documents, or other records or information or property of or pertaining to the Respondent which may be in their possession, custody or control.

IT IS FURTHER ORDERED that all present or former officers, managers, directors, trustees, owners, employees, and insurance agents and brokers are to account to the Liquidator for all funds of the Respondent held by them in their fiduciary capacity or due to the Respondent, and it is ordered that these funds be directed and forwarded by such insurance agents and brokers to the Liquidator.

IT IS FURTHER ORDERED, under § 38-27-390 of the South Carolina Code, that the corporate existence of the Respondent be, and is hereby, dissolved, and that the Liquidator file a certified copy of this order with the South Carolina Secretary of State.

AND IT IS SO ORDERED.



Hon. Allison R. Lee
Chief Administrative Judge
Fifth Judicial Circuit

September 21, 2001
Columbia, South Carolina